"To promote Christian ideals for agriculture and rural life; to interpret the spiritual and religious values which inhere in the processes of agriculture and the relationships of rural life; to magnify and dignify the rural church; to provide a means of fellowship and cooperation among rural agencies: *Toward a Christian Rural Civilization.*"

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Rural People and World Peace

By Henry C. Taylor*

I

On the east facade of the palace at Rome, Italy, in which the International Institute of Agriculture carries on its world-wide information service for agriculture, one may read the Latin inscription:

"PACE CERES LAETA EST"

This may be translated "In peace, Ceres (the goddess of agriculture) is happy," and one may infer that she abhors war, because war leads farmers and their sons forth to destruction and is damaging to agriculture. Not only does war destroy the crops and the cattle in the fields when the invaders pass over the land, but it also destroys the normal economic setting of the farmers. It develops abnormal demands for some articles and destroys the market for other products; it results in inflation of prices during the war period, and following the war there have always been depressions during which many farmers have faced bankruptcy. Manufacturing industries find it possible to concentrate a large proportion of their activity on small areas of land. Gains are found in large-scale production. They often draw the raw materials from distant parts of the world. Agriculture, on the other hand, is a synthetic chemical process requiring the sunshine, the soil, and the air in the production of food and other raw materials. For this reason, agricultural production must be spread widely over the surface of the earth. Differences in temperature and in rainfall necessitate a great diversity in the agricultural products of the different parts of the world. It is the natural thing for farmers to produce in a given area those crops and those varieties of livestock which can be produced to best advantage. It is profitable for American farmers to exchange their surpluses of cotton, wheat, lard, tobacco and fruits for the silk, coffee, sugar, tropical fruits, tropical fats, rubber, etc. produced by other nations.

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In the period of colonial development following the great discoveries of sparsely-settled areas in the world, the early tendency was to use all of the available labor and capital in the new countries for the exploitation of the soil, the forests and the mines, in the production of raw materials for the use of the settlers and for export to older countries in exchange for manufactured products and the agricultural products of other climates. This colonial practice received great impetus from and gave great impetus to the manufactures and the commerce of the older countries, especially those of western Europe. Certain nations, notably England, were enabled to specialize in industry and commerce. This rendered a great service in the development of the colonial countries, where the greater profit could be secured by specializing in the extractive industries.

In the course of time, with the growth of populations and capital, the new countries reached the point of diminishing returns in the extractive industries and turned to the development of the processing industries. They imposed protective tariffs upon foreign manufactures in the interest of the domestic industries, and thus the process of breaking down the colonial economy of western Europe was begun. This has a fundamental relation to the plight of Great Britain today.

In December 1899, the writer was listening to lectures on foreign commerce and colonial policies. The lectures were given by Professor W. A. S. Hewins in the London School of Economics. Professor Hewins pointed out that Great Britain's large population and high living standards were possible only because of her industry and foreign commerce. He pointed out two dangers: one was that the newer areas of the world, which had found it profitable first to exploit raw materials and later to develop first one and then another processing industry, might continue to develop their factories until they would not need to send raw materials to England in exchange for manufactured goods. This would not only result in a decline in the industry but also in the commerce of Great Britain. He pointed out also that other countries, such as Germany, were competing more and more successfully in world commerce and were taking a share of that which otherwise might be available for the British. In the drawing of this picture he showed not only intelligence but emotion, and went so far as to say: "This industry and foreign commerce are essential to the life of the British people and the British people will fight, if necessary, to maintain it." In these same lectures Professor Hewins discussed the situation in Germany and pointed out that Germany had emerged from the Middle Ages and become organized as a national unit too late to acquire important colonial possessions such as would round out her economic life. He indicated that the only way for Germany to expand would be to acquire more adjacent European territory, which was unthinkable!!

The industrial groups in the United States, in the British colonies, and in many other countries have been able to secure protective tariffs which enable them to manufacture increasing varieties of the products they formerly imported from western Europe. These tariffs have often been sought regardless of whether or not the article can be purchased more cheaply from abroad--in fact, the tariff has usually been advocated on the ground of lower costs abroad. The desire of industrialists to import raw materials only, hold the domestic market for themselves, and export their surplus manufactures has resulted in ever higher tariffs on manufactured goods, first in one country and then in another. The protective tariff was first initiated in the United States to support the "infant industries" until they should be able to stand on their own feet, but the industrialists have liked this crutch and cling to it long after the days of infancy have been forgotten.

It is also true that agricultural groups in many countries have been able to secure protection, which has modified the influence of soil and climate on the distribution of agricultural production. While the interests of individuals and groups seeking better prices for their products have been a factor in many countries,

the fear of war has been a dominant factor in western Europe, especially during the past twenty years, in the tendency to produce at home necessary foods and raw materials regardless of cost.

There are those who argue that the tariff policy is purely a domestic matter. The fact is, every tariff schedule is full of economic significance for more than one country. It has likewise been argued that each product should be considered on its own merit in planning a tariff system. This view overlooks the consumer. The protective tariff which has for its purpose the raising of the price in the domestic market of one particular good which is consumed by the producers of other products lays a burden upon the producers of these other products for the benefit of the producers of the protected product. If at a given time, we are importing manufactured products and exporting agricultural products, the discouragement of importations depresses industry abroad, throws labor out of employment, and thereby diminishes the effective demand for our agricultural exports. Thus the effect of the protective tariff on manufactured goods is both to increase the farmer's costs and to reduce the price of his products through the limiting of his foreign market. This should make clear that the tariff question is an inter-occupational question as well as an international question and that all of the economic and social relations of the various lines of production should be considered in preparing a tariff schedule, for tariffs are the basis of conflict of interests both at home and abroad. The burden of this conflict falls heavily upon rural people in times of peace as well as in times of war.

The relatively dense populations and the low labor costs in certain countries and the greater development of skills in these same countries have greatly facilitated the production of manufactures for export. With the passing of these differences through the gradual adjustment of population density to the natural resources in the various parts of the world, there is a tendency for an increasing proportion of manufactured goods to be produced in the countries where they are consumed, and for international trade in manufactured goods to diminish. Protective tariffs under a condition of free flow of labor and capital may be used to hasten the transfer of people, skills and capital instead of goods, but they may also be used to retard this natural and desirable adjustment of the economic life of the world.

But while protection has sometimes served to hasten the development of industry to the point where tariffs are no longer necessary, it cannot do so in the case of agriculture because of the limitations imposed by soils and climates. In the long run, the farmers of all nations will profit most by producing in each country those products which have the greatest natural advantage in that country. It is also to their advantage to buy manufactured goods in the market from which they can be secured most economically. The international exchange of agricultural products should be as free as is consistent with necessary sanitary, insect, plant disease and seed controls. Since the fear of war gives occasion for abandoning this principle of international relations, rural people have an ardent desire for the establishment of an enduring peace.

II

Agricultural products play an important role in international trade. In 1929, world exports of agricultural products were valued at 21.13 billion (new) dollars. This was 38.5 per cent of the total exports. In 1934, the value of the world's exports of agricultural products fell to 6.95 billion dollars, and in 1937 the figure was 9.12 billion dollars. This decline was more largely due to a change in values than to a change in quantities. In 1929, agricultural exports comprised 32 per cent of the total United States exports and 13.2 per cent of the world agri-

cultural exports. In 1937, these figures were 23.8 per cent and 8.6 per cent.

Per Cent Share of Specified Commodities in United States Agricultural Exports, 1929, 1934, 1936 and 1937* (1)

Commodity	1929	1934	1936	1937
Cotton	47.6	51.9	52.1	47.0
Wheat, incl. flour . .	11.6	3.8	2.8	8.2
Tobacco	8.9	17.4	19.8	17.3
Lard	6.5	3.7	2.0	2.1
Fruit**	6.3	7.9	9.2	7.7
Total . . .	80.9	84.7	85.9	82.3

*Includes trade of Alaska, Hawaii, Puerto Rico, and, as from 1935, the Virgin Islands with foreign countries, but excludes trade between continental United States and the non-contiguous territories named above.

**Excluding preserved fruit.

United States agricultural imports in 1929 constituted 48.3 per cent of total United States imports and roughly 14.5 per cent of world agricultural imports. The share of the United States in world agricultural imports fell to 10.5 per cent in 1934, and then recovered to 15 per cent in 1937, when United States agricultural imports constituted 51.7 per cent of total United States imports. The character of agricultural imports is indicated by the following table:

Per Cent Share of Specified Commodities in United States Agricultural Imports, 1929, 1934, 1936 and 1937* (2)

Commodity	1929	1934	1936	1937
Raw Silk	20.2	8.8	8.2	6.8
Coffee	14.5	16.2	10.8	9.6
Rubber	11.0	12.6	13.0	16.0
Sugar	10.2	14.4	12.8	10.6
Vegetable Fats & Oils**	8.6	6.9	9.4	10.8
Hides and Skins	6.4	4.3	4.4	4.5
Wool	4.1	2.0	4.2	6.0
Small Grains and Maize	0.8	3.2	5.9	5.5
Spirits, Wine, Malt . .	0.0	6.6	6.6	5.3
Total . . .	75.8	75.0	75.3	75.1

*See Note (*) for table at top of page.

**Including the oil-bearing raw materials.

Of United States imports of agricultural products shown in the above table, coffee and natural rubber are products which cannot be produced in any important way in continental United States. The climatic factor does not prohibit the production of raw silk in the United States, but, because other things can be produced to great-

(1) Bacon, L.B. and Schloemer, F.C., World Trade in Agricultural Products, International Institute of Agriculture, Rome, Italy, 1940, p. 1004.
(2) Bacon, L.B. and Schloemer, F.C., Ibid, p. 1006.

er profit, this article is imported from the areas of low labor costs. A large proportion of the sugar consumed in the United States is imported because both the climate and the labor costs in tropical countries make this practice profitable. Many of the vegetable fats and oils imported into the United States, such as palm oil, cocoa butter and olive oil, cannot be produced in substantial quantities in this country. Our supply of hides and skins, a by-product of the cattle industry, needs to be supplemented from abroad. Wool is imported because sheep production in this country is limited by the competition of cattle for the use of grazing areas and because wool is durable and has a high value per pound, thus lending itself to transportation from the southern hemisphere. Imports, especially of sugar and wool, would undoubtedly represent a larger part of our supplies were it not for the protective policy pursued.

Of all our agricultural imports, rubber is most likely to cause us trouble. In 1937, 97.3 per cent of the world's supply of rubber was produced in the tropics of Asia, while Brazil produced only 1.3 per cent. The United States receives more than half of the world's rubber exports. This accounts for our anxiety over the political control of our sources of rubber and our interest in synthetic rubber. Our situation in this regard provides a mirror in which we may be enabled to see the position of other nations which have to depend upon the commercial policies of unfriendly nations for important articles such as metals and mineral fuels. We should, however, be calm about this matter, for whoever controls the sources of rubber will find it profitable to sell the rubber to the best customer. An exception, of course, would arise in case of war between the United States and the governments which control the sources of rubber. Naturally, we should prefer to trust ourselves--so would each of the other great nations. The basic thing rural people need to work for is more international confidence. It is in their interest to maintain friendly and just international relations which will enable each nation to produce the things for which it is best suited by nature, and then to expand the variety of goods available for consumption in each nation by the free exchange of the commodities produced in the diverse areas of the world.

III

Perhaps in the long run a relatively free flow of populations may prove as essential to international peace as the free flow of goods. Rural people are particularly interested in the free migration of people because of the higher birth rate in rural areas. Rural people in America want a free flow of population between country and city. The rural people of densely populated European countries desire a free flow of their surplus population into foreign lands--to the Americas, where the ratio of natural resources to population is far more favorable. It is believed by some people that the legislation which retarded the flow of population from Europe after the World War was an important factor, along with the barriers to the flow of goods, in bringing on the second World War. In the long run, populations will tend to adjust themselves to the natural resources. Every effort to retard this adjustment will be an occasion of conflict. Whole peoples have been driven out of areas of great potential resources because they failed to utilize those resources fully--the Indian in North America, for example. We may well ask how large a population will be required if the present stock of human beings is to continue to occupy the territory now called the United States of America. Will fewer than three hundred million people be adequate? Are we to get the necessary increase in numbers mainly through the multiplication of the present stock, or will immigration play an important role? Is this wholly a domestic question?

The barriers to the international flow of labor, capital and goods disturb the proper utilization of the world's resources and put to a very great disadvantage nations which do not have within their borders an abundant supply of metals, mineral

fuels and other raw materials. The more difficult the international flow of goods, the greater the urge of each nation to gain political control of sources of supplies of every variety of agricultural and mineral product. The trade policies of nations like the United States and the British Commonwealth of Nations lead other nations which are not so blessed with natural resources to adopt a policy of aggression to acquire resources. Our Fordney-Macumber Tariff Act and our Smoot-Hawley Tariff Act have had much to do in sowing the seeds of war. Of the more important countries of the world of 1939, Germany and Italy were least capable of getting along with what they could produce within their borders. Both of these countries lacked iron and oil, and Italy lacked coal. At an international agricultural congress held in Rome in 1935, delegates from Italy and from Germany spoke with deep feeling of the way in which trade barriers hampered the exchange of their surplus products for raw materials which they could not produce within their national boundaries. But in that congress no one from France, Great Britain or the United States made any response to this complaint. It was, therefore, no surprise to one familiar with the economic problems of Europe that these countries turned their attention to the ways and means of bringing additional resources under their own political control.

It is axiomatic that the greater the economic significance of political frontiers, the greater the danger of war. The only road to enduring world peace is to be found in international cooperation in the utilization of the world's potential supplies of foods, fibres, metals and mineral fuels. No American should ever expect enduring peace on this earth until each population group has access to the basic economic necessities of national life.

There are two routes which may be followed. One is for each of the major countries or groups of countries to round out the economic basis of its national life so as to become as nearly self-sufficing as possible. This principle cannot be applied in a large part of the world without upsetting the economy of the rest of the world. If there are to be large self-sufficing areas, the principle must be applied universally and each area must have under its own control an adequate supply of the basic necessities of national life. This policy, carried to a logical extreme, would mean that self-sufficing areas would buy nothing from abroad nor be able to sell anything in foreign markets. This dividing of the world into restricted spheres of influence is not the right solution of the problem of establishing enduring peace. The other route, which leads to the only true solution of the international economic problem, is to reduce to a minimum the economic significance of political frontiers by negotiating a world treaty providing for adequately free interchange of goods such as will enable each country to acquire through commerce the basic necessities of national life. Unfortunately, there are special privileges involved and the simplest and best way is not always the most acceptable to those who are responsible for world statesmanship.

IV

How then may men be induced to seek the conditions which make for peace rather than those which make for war? Why should the peoples of the earth prefer friction-producing trade barriers and population barriers to the free flow of goods and people? We shall discuss these two items separately.

1. With regard to the natural resources such as foods, fibres, metals and mineral fuels, it is in the interest of the present generation of people to exchange these products freely for consumption goods which will enhance the standard of living of the people. It is only when the subject is viewed from the standpoint of future generations that it may be thought desirable to hold the mineral resources in the ground rather than ship them abroad. Here it is a matter of deciding between those people who are geographically remote and those who are chronologically remote. Those

chronologically remote never make war, while those geographically remote, who lack the basic necessities of national life, do make war and appear to have an adequate ground for doing so. Why, then, should a country with surplus resources bar their flow to the nations which need them? There is no sound reason for this in a political economy of the present generation. The motivations come not from the promotion of the general welfare but from the promotion of special interests which are not in harmony with the general welfare.

The political connivance of special interests accounts for the major elements of retardation of the international flow of goods. In general, this is due not so much to unwillingness to sell the basic necessities themselves abroad, as it is to unwillingness to have goods imported in exchange for the exported products. False propaganda by special interests has for decades blinded many of the people to the fact that additional imports received in exchange for goods, which we would not otherwise produce for lack of a market, simply provide the basis for a higher living standard for the people. To remove frictional elements which lead to war by clearing away the barriers to the flow of goods, two things are required: (a) educational programs which will impress the people with the truth regarding the advantages of international trade, and (b) the willingness or the compulsion of special interests to limit their profit-seeking activities to that which is in harmony with the general welfare.

A clear economic vision of the general welfare, while essential, will not, alone, accomplish the purpose in view. Righteous attitudes on the part of individuals and groups are imperative if the general interest of each nation is to be sought and the economic racketeering of groups within each nation is not to be the occasion of international conflict. With right attitudes, national leaders may bring about the international cooperation which will provide for that freer flow of goods essential to making all nations able to secure the basic necessities of national life. This will promote the welfare of all the peoples involved. The problem is to make this understood and desired so that the public interest may prevail against the selfish interests. Unfortunately the public is inarticulate; the special interests are vocal. Who should speak for the public interest?

2. The question of removing friction through a freer flow of populations is a more difficult one. The diversity of the race characteristics of the peoples of the different nations and regions of the world and the wide variation in the living standards, which the people have demonstrated their willingness to accept for themselves and their children, raise serious questions as to the free flow of populations. This is an especially trying question for countries like ours with very large natural resources per capita. It is this difference in natural resources per capita which provides the basis for the differences in living standards. Buying goods from foreign countries where the population is dense and wages low does not lower but raises our living standards--note, for example, the effect of buying silk and tea from China and Japan rather than producing them for ourselves. On the other hand, the admission of people rather than goods from the more densely populated areas into our own country to share with us our opportunities tends to reduce the per capita supply of natural resources and thus to impair the basis of our high living standards. But to enjoy these great resources and bar others from them simply because we came first is to create the international ill-will that leads to war. Is the policy of selective immigration which shares our natural resources with a limited number of those peoples from foreign lands, who are most capable of assimilation, the right solution of this problem in the interest of world peace? Is something more than the immediate self-interest of the people of our nation essential to the development of an international policy of good-will through the sharing of our opportunities with people from other nations?

V

Whether we consider the avoidance of international conflicts through the freer flow of goods and people or through the elimination of international discourtesy and snobbery, righteous motivations and attitudes are fundamental. Whose task is it in the division of labor in the modern world to promote righteous attitudes and actions on the part of mankind? Obviously it is the task of all religious people and particularly the leaders and teachers who devote their energy to promoting the highest ideals of life. Unfortunately religious leaders, by taking sides in international conflicts, have at times made themselves impotent to participate in the promotion of peace. To be helpful in the solution of this problem of international peace, religious teachers should confine themselves to bringing their influence to bear upon the leaders and the rank and file of the people in their respective nations, with a view to divesting international attitudes and actions of their narrow selfishness.

Since the antidote for international conflict is intelligent international cooperation in the utilization of the basic necessities of national life, motivated by a religion of the brotherhood of man, economists and ministers should work shoulder to shoulder to bring about this cooperation in the light of a clear economic vision and under the impulse of a righteous motivation. The task of promoting world peace is one of first importance to all the people of the world; without peace the abundant life cannot be assured. Every minister, every missionary, every student of life problems, every statesman should give first attention to promoting the conditions of peace, and woe unto the man in ministerial, professional or official garb who propagates the causes of war.

The reader may be familiar with the inscription on an imaginary coin which when tossed may indicate peace or war. On one side of this coin is inscribed the phrase, "The greater the economic significance of political frontiers, the greater the danger of war." On the other side of this coin is inscribed, "The greater the facility with which the basic necessities of national life can be secured through international commerce, the greater the prospect of peace." Will the people of the United States play the role which will make this coin fall with the "peace" side up?

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